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CALL TO ORDER

[Time: 00:00:02]

Mayor Ortega: Good evening. I call the January 11th, 2022 regular city council meeting to order. City Clerk Ben Lane, will you please conduct the roll call.

CALL TO ORDER

[Time: 00:00:17]

Clerk Lane: Thank you, Mayor. Mayor David Ortega.

Mayor Ortega: Present.

Clerk Ben Lane: Vice Mayor Tammy Caputi.

Vice Mayor Caputi: Here.

Clerk Ben Lane: Councilmembers Tom Durham.

Councilmember Durham: Here.

Clerk Ben Lane: Betty Janik.

Councilmember Janik: Here.

Clerk Ben Lane: Kathy Littlefield.

Councilmember Littlefield: Here.

Clerk Ben Lane: Linda Milhaven.

Councilmember Milhaven: Here.

Clerk Ben Lane: Solange Whitehead.

Councilmember Whitehead: Here.

Clerk Ben Lane: City Manager Jim Thompson.

Jim Thompson: Here.

Clerk Ben Lane: City Attorney Sherry Scott.

Sherry Scott: Here.

Clerk Ben Lane: City Treasurer Sonia Andrews.

Sonia Andrews: Here.

Clerk Ben Lane: City Auditor Sharron Walker.

Sharron Walker: Here.

Clerk Ben Lane: And the Clerk is Present. Thank you, Mayor.

[Time: 00:00:48]

Mayor Ortega: Excellent. Well, welcome to the new year. We do have two police officers here on duty as well as firefighter Jasmine Powell, should anyone need assistance. Let's stand for the pledge.

Councilmembers: I pledge allegiance to the flag of the United States of America, and to the

Republic for which it stands: One nation under God, indivisible, with liberty and justice for all.

Mayor Ortega: There may be a bit of an echo in here because we do have some shields up as they say on Star Trek, right? Shields up. Well, once again, welcome to the new year. Today marks a full year that this council has been in office. We took office on January 12th.

Certain circumstances have changed and moderated and we have a full year to look forward to. I do want to wish congratulations to the Saguaro football team, which won the championship. They dethroned the Chandler wolves who had held that championship for five years. So congratulations, team, and coach, and Saguaro high school.

[Applause]

I give them applause. Now, also Monday is the official Martin Luther King holiday, and the city of Scottsdale will be hosting a program at the horizon community center. It's a discussion regarding the final work of Dr. Martin Luther King, the final published work was called "where do we go from here: Chaos or community." This event is open to anyone 15 years or older. We do ask that -- there are no fees, but we do ask that you go online if you plan to attend. And for more information, of course, you can go visit the city of Scottsdale website and look into the event calendar.

PUBLIC COMMENT

[Time: 00:03:26]

We begin our meeting with a public comment. This is an opportunity for citizens to come forward and talk about a subject which is not on the agenda. And accordingly, we would not be discussing whatever they may wish to bring forward. We are certainly not going to vote on it. I would open public comment.

It's my understanding that there are two telephonic and we will take the telephonic first. And then go into the in-person.

Brian Hancock: Thank you, Mayor Lane, this is Brian. We have two public comment tonight, Jason Alexander, and Robert Littlefield. I'm going to unmute Jason Alexander. Jason, you are muted on my end. If you hit star six on your end, you can begin speaking.

Jason Alexander: Hi, this is Jason Alexander. My address is 9976 east Jasmine drive. I would like to make a public comment that relates to the 92 ironwood project. I read an article how land use institutions cause rent inflation in metro Phoenix. I will email you a copy of the article. A few key quotes I want to share, over the past three decades, local barriers to housing development have intensified, particularly in the high growth metropolitan areas, increasingly fueling the national economy.

The accumulation of such barriers including zoning, other land use regulations, and lengthy development approval processes have reduced the ability of many housing markets to respond to growing demand. The article goes on, rather than allowing the market to correct itself, local governments keep stepping in to artificially constrict the market by limiting growth in their community.

If local government would only get out of the way and allow the apartment community to respond to market forces we could climb out of the hole relatively quickly. Instead the not in my backyard mentality has taken hold, which is not going to help rental prices for anyone. The article goes on to quote former Phoenix mayor Paul Johnson when growth is happening, you start to hear noise from people trying to stop, it they show up at council meetings and it's a sense that it's a majority, representing that NIMBY represents only 5 to 10% of the population, according to polling, former mayor Johnson conducted.

[Time: 00:05:50]

I think this is relevant for the 92 ironwood project. When Kurt Jones gave his presentation to the applicant a few months ago, he went into detail about the overwhelming support from local businesses, and how the opposition does not live close by. In fact, the only residents living close by are vagrants squatting in the empty building. The emails you received in opposition have been driven by hyperbole on Nextdoor and false information about Chompie's closing and high-rises along Shea boulevard this is targeted by a P.R. campaign led by Bob Littlefield and others, and the urbanist agendas and the subject of personal slander by them, calling you skills or sellouts.

These folks have a right to their opinions but they are ideal logically antigrowth and despite factual information from our planning department, they have pushed false facts on an alternative agenda to create a wedge issue for the sole purpose of winning seats in the 2022 council election.

The facts are we have nearly 97% occupancy rate in Scottsdale and residential units and nearly 15% vacancy in office space. 92 ironwood has passed every requirement of our planning process and deserves your support. Please count myself and the other three members of my family as supporters of this project and the thoughtful needed housing opportunities it brings. Thank you.

Mayor Ortega: Next telephonic.

Brian Hancock: Mayor, this is Brian. The next speaker we have is Robert Littlefield.

Mr. Littlefield, we have unmuted you on our end. If you hit star six, you will be able to speak.

[Silence]

Robert Littlefield: Okay. Am I unmuted now?

Brian Hancock Yes, you are.

Robert Littlefield: Okay. Good. Well, it's ironic that the previous speaker was talking about 92nd street project. I would just like to say that it would be fairly easy for people to look at the comments that are in opposition and see that, in fact, the people who are opposed to this are not people who are far away, but people who are nearby, and you can look at that easily by looking at the list of people who sent in notes in opposition.

I, for instance, drive down that area almost every day, and I would not like to see hundreds of new cars on that stretch of road every day. I believe that will take a stretch of road that is already a bad situation and make it much worse. So we can argue for hours about that. Don't have time to argue for the whole thing here now, but I will be interested to see if the developers -- at the developer's open house tomorrow night, which people who are concerned about this should definitely attend if you are concerned about what this project is going to be like, you should definitely show up at this open house, and that's your opportunity to see what's actually going on. So thank you very much.

[Time: 00:09:23]

Mayor Ortega: Thank you, sir. We will now go on to in-person and the first part of public comment would involve five. So we have had two telephonic. We will have three in-person, and then there are two others -- well, at least two others, which would have to wait until the closing public comment.

So at this point, we would take Wayne Goshgarian, Chris Winterhaller and John Phillips in this first group. Thank you. You have three minutes.

Wayne Goshgarian: Thank you very much, Your Honor. I'm here to talk about \$100 million. What does that mean? My name is Wayne Goshgarian, I live at D.C. Ranch. I have owned two homes in this beautiful well-kept community. I know that the D.C. Ranch HOA met with the design review board to approve to rip out 670sishu trees at Arcadia, and they have been around for 15 years.

This would destroy the value of the average people which is well over \$5 million. Now, I could get up and talk about how beautiful these trees are, how much they make this community look great, what the developer did, this tree-lined community, what a great place to live, and the environment, but I would like to talk about the liability I perceive. Now, keep in mind, I'm not an attorney. I'm just a concerned homeowner and very often these cases kind of build a life of its own, and here's an example.

This would destroy the values of these homes averaging \$5 million. There's a half a billion dollars of homes in Arcadia, a 10 to 20% loss would be between 50 and \$100 million. What

about the other 2900 homes that could be damaged? What about all the Realtors and the sellers who sold homes in the past four to five years that did not disclose this dispute? In fact, the HOA continues not to follow its own CC&Rs and the litigation can force it into bankruptcy.

Now, keep in mind that this community gets a half a percent of every home that is sold, yes, from ones that are \$500,000 all the way up to 15 to \$20 million, and everything in between. Their scheme -- yes, their scheme that would allow them to transfer the liability from the HOA and board members to the city of Scottsdale.

If they would succeed when the lawsuits start flying from one of the most expensive communities, they would just point to the city and say they approve the tree removal. You need to contact the city council and here's their phone number. My hope is that the city attorneys at the city of Scottsdale agree with my comments about this liability.

[Time: 00:12:31]

The design review board, 6-0 made the right decision for the city of Scottsdale to protect its budget and not encumber the city with this huge liability. This HOA may want to appeal your decision in the near future and plead their case. They caused this issue and this issue is between the HOA and the homeowners. Getting in the middle of this mess would not benefit this city whatsoever. D.C. Ranch HOA board did an intentional act, premeditated in my opinion.

In fact, they cut me off after three minutes just yesterday. I asked you to do the right thing and I only ask you to do one thing, it is to call the HOA DMB, Dan Kelly, Michael Burk, Brian, whoever over there and get them to come to their senses and do the right thing for in beautiful community at D.C. Ranch. The D.C. Ranch HOA board is going to bankrupt its financial health if this continues. Thank you very much for your consideration.

Mayor Ortega: Thank you. Next we have Chris Winterhalla.

Chris Winterhalla: Mayor Ortega, members of the Scottsdale city council. Thank you for your time tonight. I'm a proud resident of Scottsdale and currently live in the cactus acres neighborhood. I am one of the many pilot rental tenants that has been given notice of eviction for my parking lease executed by jet aviation, where I park my aircraft in an area in the Scottsdale airport known as the greenway shades.

Jet aviation intends for the planning and zoning application submitted within the last week to demolish this parking area and use this space to construct a new and additional corporate hangar space and terminal facility.

This is a 180-degree turn from the promise that jet center of Santa Fe made to this council no to be approved as the third fixed based operator in 2018, where they promised to accommodate

these tenants long term. Jet center of Santa Fe has been sold to jet aviation. This is last remaining parking space for the general aviation community, which includes private aircraft, as well as businesses.

It is estimated by this group, which I represent, that parking at the Scottsdale airport over the last three years totaling 218 spots has been eliminated or will be eliminated with this latest development request. Since -- and this is all since jet center of Santa Fe. When and if jet demolished and this plot of land, general aviation will cease to exist at the Scottsdale airport. Thank you.

[Time: 00:16:13]

Mayor Ortega: Thank you. We have John Phelps.

John Phelps: Mayor, Vice Mayor, thank you for the opportunity to be heard. My name is John Phelps. I represent an association of aircraft owners that have received lease termination notices for their aircraft based at greenway hangars. In December 2018, jet center of Santa Fe received this lease.

Assurances were made to this council in 2018 that piston-powered general aviation aircraft at the city shades and greenway hangars would not be displaced by future development. In fact, the lease recorded with the Maricopa County Recorders includes plans for future development that preserved all the hangars and some of the shaded tie downs at greenway hangars.

The plans presented in 2018 made good economic sense and for the city, and for the competition at Scottsdale airport with the addition of a third F.B.O. Fast forward three years to the present, now jet aviation is going back on the commitments made by its predecessor. Jet aviation has provided every tenant of greenway hangars with notice that their lease will be terminated in the second quarter of 2022.

As a practical matter, with only about 20 unshaded tie downs available and a wait list dating back to 2019, this sounded the death knell of piston-powered general aviation at Scottsdale airport. Moreover, there's nowhere for these displaced aircraft to go. There are wait lists at all the nearby airports, Falcon Field, Deer Valley, Glendale and Chandler. In addition to the fact that jet aviation's actions are contrary to the commitments made to the city council, this creates a significant problem for the city because the eviction of piston powered general aviation aircraft will put the city in violation of its grant assurances to the FAA for the \$11 million received to rehabilitate the runway last summer.

Specifically, grant assurance 22a requires that the city make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities. Effectively forcing them out of the Scottsdale airport will put the city in violation of its grant assurances.

Now, in the FAA gets involved through part 16 complaint process and determines grant assurances were violated, a corrective action plan will be put into place and that will likely require development of additional property at the aircraft for piston powered aircraft. This likely will be at significant expense to the city.

The association requests that jet aviation's plans be delayed until the airport provides a way to accommodate the existing piston powered aircraft base there. More specifically, the association requests a meeting with airport management to determine how the city can move forward without violating its grant assurances.

[Time: 00:19:35]

We need this meeting to happen very quickly, because of the short time frame provided by jet aviation. If the aircraft can't accommodate this request and get us a meeting by the end of the month, the association will move forward with a part 16 complaint to the F.A.A. Thank you for your time.

Mayor Ortega: Thank you, sir. So we have had public comment on non-agendized items. There are two remaining speakers who will have to wait until the end of the meeting. I do want to point out that we did receive a petition and from time to time, a speaker does present a petition.

So I just wanted you to be aware that there's an opportunity for public comment at the end of the meeting when we do acknowledge a citizen petition. At this time, I would close public comment for this first session, and next, we would ask that we have approval for the minutes and any revisions to so state.

So I would request a motion to approve the special meeting minutes of November 16th, 2021, executive session minutes of November 16th, 2021, regular meeting and work session minutes of November 16th, 2021, special meeting minutes on December 7th, 2021, and the regular meeting and work study session minutes of December 7th. Do I hear a motion and a second?

Councilmember Whitehead: A move to approve the meeting minutes.

Councilmember Durham: Second.

Mayor Ortega: At this point to point out that several of us are remote and we would ask that you register your vote here in person, and then -- or let's let the clerk call the roll call. Excuse me.

Clerk Lane: Thank you, Mayor, Councilmember Tom Durham.

Councilmember Durham: Yes.

Clerk Lane: Councilwoman Betty Janik.

Councilmember Janik: Yes.

Clerk Lane: Councilwoman Kathy Littlefield.

Councilmember Littlefield: Yes.

Clerk Lane: Councilwoman Linda Milhaven.

Councilmember Milhaven: Yes.

Clerk Lane: Councilwoman Solange Whitehead.

Councilmember Whitehead: Yes.

Clerk Lane: Vice Mayor Caputi

Vice Mayor Caputi: Yes.

Clerk Lane: Mayor Ortega.

Mayor Ortega: Yes. Thank you. Okay.

CONSENT AGENDA

[Time: 00:22:13]

Mayor Ortega: Next we have consent agenda items, number 1 through 22. And there is an opportunity for the public to speak on any of the consent agenda items, as well as council should they have any question.

At this point, I do not see any requests to speak from the public. And so I would close the public comment regarding consent agenda items 1 through 22. Any comment otherwise I will accept the motion to approve consent agenda items.

Councilmember Whitehead: I will make a motion to approve consent agenda items 1 through 22.

Councilmember Janik: And I will second that motion, Councilwoman Janik.

Mayor Ortega: Thank you. We have a motion and a second. I will ask the clerk to do the roll call

vote.

Clerk Lane: Thank you, mayor.

Councilmember Durham: Yes.

Councilmember Janik: Yes.

Councilmember Littlefield: Yes.

Councilmember Milhaven: Yes.

Councilmember Whitehead: Yes.

Vice Mayor Caputi: Yes.

Mayor Ortega: Yes. Thank you. That concludes the consent agenda items, but we are providing with the framework, reopening the public comment portion. It's a time reserved for the public to step forward and bring for discussion, make their point, however, the item should not be on the agenda.

It's a non-agendized item, as such we will not vote or discuss any public comment, but at this point, we have two remaining. One telephonic -- excuse me. Let me make sure this is correct. Yes, we have two remaining and they are in person, excuse me. So we have Mr. David Romolo and then Mr. David Woodbury. Thank you very much. You have three minutes.

PUBLIC COMMENT

[Time: 00:24:32]

David Romolo: Thank you, Mr. Mayor, councilmembers. My name is David Romolo, I have been a resident of Scottsdale since 1989, and we purchased a home right east of the Scottsdale airport intentionally being by the airport. I have a love for aviation.

But I want to call to your attention an issue that's been brought up by two other speakers tonight, and that is the eviction of 96 airplanes from the Scottsdale airport with no place to go. There are wait lists at all the other airports in town for hangars and covered t-shades. The Scottsdale jet which is a subsidiary of the huge general dynamics defense contracting company, has given us notice that the -- our pieces will be terminated the second quarter of this year. We have no place to go.

And this has been compounded by the fact that the same fixed base operator has wiped out most of the uncovered parking at Scottsdale. There is no parking for private aviation. So what I'm here to ask the city council to do, is to make sure the city does not approve

demolition or construction of Scottsdale jet for the greenway development project. Basically, they have stretched the truth.

In December of 2018, they assured the city council when a lease agreement was up for discussion, that the redevelopment would only impact two rows which is about 20 airplanes at the greenway shades, and the rest of the shades and the hangars would not be impacted and that was confirmed by the city's aviation director.

And I listened to and encourage you to listen to the conversation from the December 2018 council meeting when this was discussed. So evicting up to 96 airplanes was never contemplated when the lease agreement was approved by the city. This is all a part of what I think is a flawed master plan.

The airport master plan discussed that there are approximately 220 based single engine and light twin aircraft at Scottsdale. Most of those were in uncovered tie-downs, the city shades or the greenway shades and hangars. The city agreed to have the city owned shades and hangars torn down so a fixed based operator, Scottsdale jet could build there. Relocated those airplanes to greenway and we were told that was a long-term solution. It's less than two years.

[Time: 00:27:50]

So I think -- I think Scottsdale jet has been disingenuous in what information they were providing to the city. Thank you very much.

Mayor Ortega: Thank you, sir. The next couple for public comment, we have David Woodbury. I also see the youngest member of our audience. So we are happy to see you there, kiddo.

[Baby fussing]

David Woodbury: That youngest member is my grandson.

Mayor Ortega: Whoa! Wonderful. What is his name and what is his favorite subject?

[Laughter]

David Woodbury: Well, I know his name is Cameron.

Mayor Ortega: Naps probably, right?

David Woodbury: Mayor Ortega and members of the council thank you for hearing my plea today. 51 years ago in 1971, my wife and I purchased a home on east sales drive in Scottsdale. This home was originally built by the Scottsdale city planner and at that time, the property boundaries and the fence line were set and established as they are currently today.

We recently received a notice from the city in the form of a code violation which if enforced would result in the removal and destruction of a significant portion of the backyard fence. Inadvertently it would open up an alleyway between sales drive and Camelback Road which has been closed off and, in fact, never been used for 57 years.

Obviously, such a move would be detrimental, both to the community and myself. I have taken the liberty to circulate a petition to see how many of my neighbors would feel about such a move. You have that petition before you now as I understand. I think it's significant that not one neighbor of the 23 polled was in favor of the idea. I thank you for considering this petition.

Mayor Ortega: Thank you, sir. And that concludes the public comment. So I would close public comment on the second session. At this point, our agenda does allow for acceptance of the citizen petition, which was just presented by Mr. Woodbury. And we can move to take action as a body, and have several choices. I in listening to this or seeing it for the first time, I would prefer that the city manager report -- look into this and report back to us. So that no firm decision is made so we have more information, if that would be a direction, I would probably accept. And do I have any comment to that effect?

[Time: 00:31:17]

Councilmember Whitehead: I will second that idea.

Mayor Ortega: Okay. So make that a motion. And then we have a motion and a second. I will ask, any other discussion? And great to see three generations here. You are amazing! Bye-bye. So our clerk will conduct the roll call vote.

Clerk Lane: Thank you, mayor. Councilmember Durham?

Councilmember Durham: Yes.

Clerk Lane: Councilmember Janik?

Councilmember Janik: Yes.

Clerk Lane: Councilmember Littlefield?

Councilmember Littlefield: Yes.

Clerk Lane: Councilmember Milhaven?

Councilmember Milhaven: Yes.

Clerk Lane: Councilmember Whitehead?

Councilmember Whitehead: Yes.

Clerk Lane: Vice Mayor Caputi?

Vice Mayor Caputi: Yes.

Clerk Lane: Mayor Ortega?

Mayor Ortega: Yes. Well, thank you. That makes it unanimous.

MAYOR AND COUNCIL ITEMS

[Time: 00:32:07]

Mayor Ortega: At this point, our posted regular agenda allows for the mayor or councilmember to bring forward a matter for discussion and possible motion. I will recognize Councilwoman Whitehead.

Councilmember Whitehead: Thank you, mayor. In January last year, this council recognized the value of protecting the remaining canal side parcels as parks. Subsequently, council approved the new Solstice park in downtown. In our first meeting of the downtown character area plan, a plan that prioritizes the protection of open space and parks, I requested that the city's final canal parcel be included in the draft as a proposed new park.

Tonight, I would like to request a future agenda item within the next 60 days requesting that staff bring back for discussion and possible action what I would call the canal deck park, located at 5th avenue and Goldwater. Thank you.

Mayor Ortega: I would second that motion and just comment that I think it would be an appropriate book end to Solstice park, and certainly provide some options to look at and I did hear approximately 60 days. Hopefully we can get something on the agenda. Do we have any further discussion? Actually, it's limited. At this point, I would ask the clerk to do the roll call.

Clerk Lane: Thank you, mayor. Councilmember Durham?

Councilmember Durham: Yes.

Clerk Lane: Councilmember Janik?

Councilmember Janik: Yes.

Clerk Lane: Councilmember Littlefield?

Councilmember Littlefield: Yes.

Clerk Lane: Councilmember Milhaven?

Councilmember Milhaven: No.

Clerk Lane: Councilmember Whitehead?

Councilmember Whitehead: Yes.

Clerk Lane: Vice Mayor Caputi?

Vice Mayor Caputi: No.

Clerk Lane: Mayor Ortega.

Mayor Ortega: Yes. Thank you. The motion carries and we'll look for progress on that matter. At this point, our regular agenda is concluded, however, we are still in session and I would be convening a work study.

A work study is a less formal, although we discuss the agenda item, and I would -- let me call to order the January 11th, city council work study session to order. And I will do that tiny little bit there.

[Chuckles]

So I would also mention that all charter members and council are here. So we can go into the study session. The purpose of the study session is to achieve a less formal, but very informative in-depth look at a topic. It has to do with the McDowell Sonoran Preserve, the strategic objectives and how we will be looking at shaping policy to provide -- this will provide us with an opportunity to maximize the time available and we do allow for public comment and what I will do is I will ask for public comment following the staff presentation, and then we, of course, can go into council questions and dialogue back and forth. So I will ask Kroy Ekblaw to make the presentation on our work study item.

WORK STUDY ITEM 01 – PRESERVE STRATEGIC OBJECTIVES

[Time: 00:36:07]

Kroy Ekblaw: Good evening mayor, members of the council, Kroy Ekblaw preserve director. This evening, I'm happy to have chairwoman Cynthia Wenstrom with us and Jace McKeighan who will be doing a fair amount of the presentation lift here, and we will walk you through a

response here to the -- a little advancement going.

Back in July of 2021, the council approved the organization's strategic plan for 2021-2022 and included the two items up on your screen. In general, the first one speaks to looking at the future funding of maintenance needs for the McDowell Sonoran Preserve and the second bullet item raised questions or interest in potential for future land acquisition options.

And so that is what this presentation is really meant to do, is to provide you some information that this commission for many years has been working on and we are very pleased that you had these questions for them.

And with that, I will have former commissioner Jace McKeighan speak a little bit about the history of the preserve commission process.

[Time: 00:37:47]

Jace McKeighan: Thank you, Kroy. Mr. Mayor, members of the council, let me say thank you. It's -- this has been a long road to get to this point for those of us that served on the commission. We think this is a very important issue and we are very pleased that you asked us these questions and that we could present this to you. With the recent 25th anniversary, it was certainly a time to look at our past successes in terms of the taxes, the acquisitions of land that we have taken so far which are significant, the access that we provided to the public.

Those are wonderful things but it also brings us to questioning what's next for the preserve. The issues of funding and acquisition are something I have been working on for over seven years as a commissioner, as the chair, and thanks to Kroy and other members of the staff allowing me to continue to help see this through. As you know, significant portions of the preserve funding operations come straight from the general fund.

For past several years we were looking whether a dedicated fund could be created to operate the preserve that. Started with the concept of a perpetual care fund or endowment that would rely on the existing tax structure. Former Commission Chairs Froth and Hytel presented that concept in a similar work study session several years ago and ultimately that plan proved to be not workable.

So at that point, Kroy and I and others looked into what time of alternatives were there to an endowment fund. As we looked at the tax structure and saw that we had taxes expiring in 2025 and 2034, we wondered if it might be appropriate to consider a tax for operations that would probably be on a much lesser level, obviously depending upon guidance from both the council and the public. And so we, again, began looking at that.

We started by looking at the management objectives that are in the preserve ordinance, Section 21-3, management objectives. We came up with categories over the course of the years.

We were looking at historical data on various costs where possible and other areas information was not available. As you will often hear this preserve is unique. Cities don't do this. Other cities don't do this. We do this. But as a result, there's not a lot of places to look for for help.

We were pioneers in creating the preserve and we will be pioneers in funding the preserve. The commission has worked very hard to come up with some estimates on figures. You will see some base operating level numbers and you will see some higher levels of support for your consideration.

As Cynthia goes through these, I would ask you to keep in mind that Proposition 420 passed several years ago, which defined preserve funds and limited the use of preserve funds. These would certainly be considered preserve funds under that definition, but Proposition 420 allows a public vote to expand the uses and so I think that's what we would be looking here is ultimately a public vote on these funds and these uses so that there would be some oversight to it. With that, I will turn this over to Cynthia Wenstrom to go over the various categories and budget items and talk more about acquisition more at the end.

[Time: 00:41:23]

Cynthia Wenstrom: Thank you, Jace. Thank you, mayor Ortega, Vice Mayor Caputi and councilmembers, it's an honor to be here with you this evening. Right out the chute, I will just draw to your attention without going to each line item, we are looking at an annual total budget for the preserve, maintenance and operation of 2.1 to \$2.8 million. So that leads us right into our daily activities and operations.

And what this consists of is making sure that our trailheads are clean, the trails are maintained, we have those wonderful maps out there, obviously. We are known for our incredible signage. It also goes into our added volunteer support, and the way that we support the volunteer program, the stewards, if you will, is as we would any other city volunteer, which is with shirts, a recognition program, at \$150,000 per year, but I have to tell you that the value that the stewards bring to us is valued at 1.5 to \$2 million.

So it's a very good investment to support that at \$150,000 per year. And the other item is new projects which we will talk about as we go further into this, but I would point out you to that our field activity and support is very heavy in volunteer hours and very light in staff hours. Total, again, here is 1.25. Okay. And let's see, let's go on to the next one.

Here we are look ago at the education aspect of the preserve. We want to talk about things in our education program such as why do we have a preserve. What is it? And how will we protect it? Expanding that program and outreach is really important to us, as well as -- and we do that through multiple modalities, including on-site, hands on and virtual, so that it's reaching a larger audience. This is estimated at 1 point -- or 150 to \$300,000 annually.

And, again, as Kroy mentioned, these are numbers that we're working with and there's obviously some movement in there between low and medium in that number. As we move on to protecting our preserve or truly preservation, this talks to an estimated 250 to \$500,000 monitoring the plants and the wildlife for threats specifically maintaining the diversity of our animals.

It's critical that we have a good genetic mix in our animals so that they are moving between the northern and the southern part of the preserve, as well as into Tonto National Forest. This gives us sustainability of our wildlife. This is also critical from a plant perspective. We also look at determining impact of our interface with the preserve, the urban interface, the boundaries, the usage of the preserve. Those things are threatened to plants and animals and it also is critical that we look at invasive plants. We are looking at 250 to \$500,000 annually.

[Time: 00:44:50]

And we are also looking at a general fund proposal for fiscal year '22-23 to update -- it's a one-time expense of \$200,000 the ecological resource plan. We need to complete that plan. It is not completed at this time. All right. Let's look at habitat protection. Specifically, we're going to start out with invasives. Invasives are what a lot of us would call weeds.

They are things that are not natural to the preserve or to the Sonoran desert but they do make their way too our land. We are estimating 150 to \$250,000 per year for this treatment. Now, think of this as painting the Golden Gate Bridge because we will start here and we will cycle through and then we will go right back. This is ongoing maintenance.

And we are only talking about 50 to 200 acres per year. It's a very small amount of the preserve of our 30,000 acres. Looking at management corridor, I hope I didn't -- yes. The vegetation management, the map shows you what we call our 94 corridor miles, 335 acres. It is along Pima road. You can see that it goes up to stagecoach.

There's interior there, which is the goal line that you see and then most recently we did work on Pima, near dynamite, which is what you see in pink. That is to reduce fuel load. Those are areas where we are very prone to vehicles that may catch fire, a spark off of a chain, all the things that we know have caused major fires in our state.

So we have taken and I'm going to let Kroy correct me if I'm wrong but for 170 to \$250,000 per year to minimize the fire potential on those corridors is about 70 feet, does that sound correct?

Kroy Ekblaw: It will vary, but it's up to 70 feet in width would be treated on a yearly basis.

Cynthia Wenstrom: Okay. And finally, we would also monitor, map and assess the progress of the invasives and the fuel reduction work that we are doing at a cost of 100 to \$150,000, and I'm sorry I missed the restoration. That's critical. I was just following along here.

So the restoration of plus or minus 200 acres of previous disturbed land that is to give you a few examples, there's a very large area in the Pima-dynamite area that has been disturbed. That's what you are seeing there on the centerpiece that you are -- the center photo. Another area that's been very disturbed is in the goose neck. It's old roads.

These are areas that really we don't want to maintain. They need to be put back into service for natural open space. What wanted to mention along that also and I'm trying to remember what that top photo is, there Kroy.

[Time: 00:47:51]

Kroy Ekblaw: Same area. It's a view from this point here looking into the mountain. So a wide area of disturbance in that immediate area.

Cynthia Wenstrom: Thank you. So these are areas that were used by ATVs, Jeeps, long before the preserve was the preserve but we do need to bring that back to its natural state. This is really important for our wildlife. The more fragmentation we have in our land, the less the wildlife is willing to use it. They go for that nice open space.

Anything -- a trail, an old road, all breaks up that open space for the animals. So that's why it's so critical to put this back into its natural state and I'm sorry now, Kroy, you can go back to the next -- on to the next one. I didn't mention the cost is 2 to \$4 million. And then, again the mapping and the assessment that we spoke about. Our cultural history.

We are looking at 30,000 acres and we have -- we know that we have some wonderful cultural pieces in these acres. Some of them are protected. We want to make sure that they continue to be protected, and we're looking at a cost of 60 to \$80,000 a year. Now, that would mean that we would make sure that we would identify these areas, as well as protect them.

Does that mean that we would -- well, that we want to protect them. That's the most important thing. \$60,000 to \$80,000 per year. Then we have a one-time cost of 200 to \$400,000 which is completing the cultural resource plan to make sure that we are mapping all of those critical cultural areas in our preserve. I think we're set on that. Thank you.

And let's look at our corridor protection. This is critical, again for the wildlife of our preserve, moving them from the south to the north and the north to the south, and when they move to the north, moving them on into Tonto national forest. We are looking at a portion of the 128th street that runs inside the preserve, as well as what you see on the picture here is both pictures are examples of land bridges.

There are many land bridges across the country that are very effective. We also have them here in our state. While it might seem contrary, it actually -- the animals actually do use these. And

this goes from the largest animals, our deer and large animals that we are familiar to seeing to the smallest animals tortoises and other things that we keep an eye on. And we monitor in our preserve.

There is a one-time cost estimated at \$10 million for a land bridge across dynamite to again move our animals from -- now from the goose neck into the northern part of the preserve. Again, that flow of wildlife corridor. It's critical to the preserve. And trails and trail head improvements -- trails and trailhead improvements. There are a number of things that have been slated. We are estimating this to be approximately \$12 million.

[Time: 00:51:00]

There would be such things as shaded amphitheaters at lost dog, as well as gateway. These would be brand new. There's nothing there existing that we could retrofit with an amphitheater shaded areas. Rest rooms at the sunrise trailhead and resolution of the ringtail and the 104th and bell unofficial trailheads. There's a number of different ways that we could look at resolving these situations. And also then bringing water to both trails -- trailheads of Tom's Thumb and Fraesfield trailheads. They are dry trailheads. And we looked at resurfacing equestrian area. This is brown's mountain. This is an interesting focus.

We are careful in how we build trails in the preserve. This represents the green in our current preserve trail. All the other little fingerlings that you see there are existing equestrian trails that were there before the preserve was, in fact, the preserve. So what we're looking at doing there is completing the removal of those old equestrian trails. Again, the more trails, roads, et cetera, that we have in the preserve, the more we fragment the land for the wildlife and we're impacting them by doing that.

So by having only one preserve trail until that area, where you see many, many fingerlings of equestrian trail makes a difference to our wildlife. And let's see, trail completion, and boundary control. Absolutely. That is also part of the \$12 million. And that will be presented -- I'm not sure that there was -- other than the fact that the boundary control is part of that. There's areas of our preserve where we have old Barbed wire, which is original and now we would move that into more of what you are seeing, the pipe here, as you are seeing in the fencing here.

Public safety is something that will be considered in the '22-23 budget process. We do not have something to discuss at this time, but if it's something that you would like us to move forward, we will continue to consider that. And we're looking at the numbers again. An annual projection of 2.1 to \$2.8 million with one-time costs projects at \$27 million. With that, I am going to turn the microphone back over to Jace and talk about land acquisition.

Jace McKeighan: So land acquisition. Let's start with reminding ourselves about where we are at and the tremendous success we had. We protected 30,580 acres, as you can see over 28,000 acres at a projected cost of about \$1.7 billion. When you factor in the interest expense,

we're looking at on average somewhere in the \$60,000 an acre range, which will help later for comments about additional land acquisitions. It really has been a tremendous success. I think you probably hear that like we do from both residents and visitors.

We have accomplished much of what we set out to do the vast majority of land that's within in the recommended study boundaries, which you can basically see there in the dark green and the blue has been accomplished, so we have nearly met all the initial acreage goals that were set out. We have provided access. We have established connectivity between the preserve, the county park and the Tonto national forest.

And we have preserved biodiversity wherever possible. It really is something to be celebrated. So where do we go from here? When we looked at this, we reviewed the various opportunities that were available. We looked at prioritizations which were established by prior commissions. We met with the state land department, Kroy and I met with them personally. We had a presentation to the preserve to the state land department.

[Time: 00:55:12]

We had maps that covers slopes and wash corridors and trails. We walked areas of interest to get firsthand looks. We have had presentations from the conservancy and opinions offered on what may or may not be important within remaining areas and it's been a very thorough process. What you see on the slide are four areas of potential acquisition opportunities, and the top in the blue, you see the two sections that are commonly referred to as the postage stamps and the area that the area that is Arizona trust land that's 4,000 acres and the goose neck area.

There's some private areas that are not within the recommended study boundary which could be considered. There are areas within the area of Pinnacle Peak road that you see circled in yellow below that, which provide some potential opportunities, although most of them are already subject to hillside ordinances and natural open space protection.

And then finally down in the south, the southern area in the lost dog area, there's some opportunities for acquisition. Any time we talk about acquisition, you obviously have to look at cost and funding. These are the latest projections we have in terms of what could be available. You can see the numbers starts out at 22.7 right now, and could grow to as high as \$70 million. Very difficult to tell but these are the best numbers we have at the moment.

With the taxes coming to an end on this, it is likely that bonding any further will be difficult, and that what we are looking at are actual numbers that we will be working with as opposed to larger numbers that will be bonded out. We are looking at the northern area that you see depicted there. By way of background, much of the green in the northern area to the right of that blue section was acquired as a result of the Arizona preserve initiative. What that meant was that entire area was at one time state trust land.

We were able to get much of what you see in green on the right, designated as suitable for conservation, which meant much, much lower valuations. Why would the state trust land -- state land department allow that to happen? Well, the preserve initiative allowed us to take the area you see in blue and improve it in some ways that increases the value to offset the reduction in value on the other side. So the zoning case you remember from a few years ago, has dramatically increased the value of these remaining lands of state trust land.

In our meetings with the state land department, a little over two years ago, they were projecting somewhere on the order of \$300,000 to \$600,000 per acre for the land you see in blue up there. Those numbers have only increased from what we are hearing and that upper end number may be approaching somewhere in the order of \$750,000 an acre.

[Time: 00:58:28]

Obviously, that is significant and if you look at, for example, just acquiring 200 acres within that range, could be on the order of 60 million to \$150 million. Obviously, the expenses go up as you look at whether it's 500 acres or even larger parcels. The numbers get very large very quickly and if you go big enough, you could be looking at spends more on that blue land in whole, in the rest of the entire preserve has cost already. So we can go to the next one.

So that leaves us with several questions where we are seeking input from you. In terms of assessing priorities, it's very difficult to do, depending on what either the public or the council's gut feelings are about whether additional funds should be raised to acquire lands or whether we should be focusing on more targeted acquisitions based upon the funds that remain available, and it's certainly possible that you can come back to us and say you should do both and put that out to the public and have them comment and decide, because ultimately with all of these things, that's what we expect the process to be, is to hopefully get some comments and discussions from you to take this out for public comment to get the public's view on things to further refine numbers, details and ultimately with the goal of possibly going back to the public for a vote on these issues.

And, again, I want to thank you very much again for considering these issues, like I said, many years of work, many different iterations of the commission have looked at these issues and to finally get these issues fully before you, on a personal level is very gratifying. So --

Mayor Ortega: Excellent. Just to recap, of course, the staff is available. Our applicant -- I mean the presenters are available. But I would like to go to public comment and then return to -- with our questions. So at this point, we have two, one is telephonic and the other in-person. We show Jason Alexander by phone, and then in person Sonnie Kirtley.

Brian Hancock: Thank you, mayor, this is Brian. Jason, I have unmuted you on our end. You can hit star six to unmute yourself. Jason, I'm still showing you muted on your end. There you go. You are unmuted now.

Jason Alexander: Hello, can I speak now? Can you hear me?

Mayor Ortega: Yes. Yes.

Jason Alexander: Hi, this is Jason Alexander. 9976 east Jasmine drive. Scottsdale taxpayers as you heard in the presentation, have invested \$1.7 billion in our preserve and we have no dedicated funding source for maintaining this asset.

We need to fund maintenance of the preserve somehow. I believe we should use the preserve fund to create an endowment to maintain the preserve. I believe this usage fits the spirit behind the preserve tax, and honors the intent of the voters when we chose to tax ourselves to create the preserve.

[Time: 01:02:29]

Unfortunately, we actually prevented this usage when we passed Proposition 420. During the 420 campaign a few years ago, over and over in interviews with every news outlet and in all of our campaign messaging, I shared the talking point that the city charter had been changed 15 times in 20 years, and if our charter change had unintended consequences, we could put the subsequent change before the voters.

Furthermore, we emphasized in all of our campaigning during prop 420 that we were not preventing any usage of funds. We were merely ensuring that the voters would have final say over those funds. I think we need to get behind a funding source, either by putting a fund usage before the voters or a charter change before the voters.

We need to recognize that this was an unintended consequence of our prop 420 efforts and adjust. We knew that the preserve tax was predicated to have an overage. I sat down several years ago with city treasurer Jeff Nichols who walked me through it. It has \$20 million overage which is consistent with the information we had back in 2018.

We said that the citizens should vote on these either to create an endowment, to buy more land or to build the discovery center. Our job is not done. We need a funding source for maintenance and we should ask the voters to support the preserve funds. As your presentation shows, buying more land at the current rates will be 300 to \$750,000 per acre, possibly. 200 acres will be a drop in the preserve land mass but that 60 to \$150 million in an endowment will maintain and protect the preserve for generations.

One thing all of us agree on and several of you came to office campaigning on, was protecting the preserve and I think this is how we can go about doing that. Thank you.

Mayor Ortega: Thank you. Now, in person, Ms. Kirtley.

Sonnie Kirtley: Technical problem. Here we go. Happy new year, mayor Ortega and councilmembers, those that are here and those that are far. I'm Sonnie Kirtley, speaking for the COGS board of directors and our address is on file.

Our COGS members are greatly concerned about what your final decision will be related to the 128th street access through the McDowell preserve. Many of them are preserve stewards, volunteers in the preserve. Many of them include its trails, either individual and family experiences. Many of them live in homes that have a view of our pristine mountains. They sent us a strong message that it is to be preserved. Meaning, no support for our public 128th street roadway.

[Time: 01:05:35]

So what is the rationale? Number one, 128th is not needed and serves no purpose. The reality is most people who live in the area between Ranch Gate and the preserve will drive southwest and take Ranch Gate to Happy Valley. The unlikely few who do want to go northwest can take 118th street as I did this afternoon with my English springer. Beautiful road. It's all finished.

Number two, 128th street is not needed to be a first choice emergency route. The reality is the fire department will use Jomax, 118 and Ranch Gate because the fire station is on Alma School. The police station coverage area is to the west, and generally to the south.

Number three, city of Scottsdale doesn't need to spend the estimated total very expensive \$10 million for this difficult desert terrain, culverts would be required. No preserve funds can or should be used to pave it because it would not be an improvement to the preserve. This is a huge issue. The city doesn't have a lot of money. And may I remind you, there is no developer money that will contribute as they can't build adjacent to 128th street. Both sides are preserve. Importantly, the guardians of our preserve, the McDowell Sonoran commission has been consistent since 2015 to not endanger the wildlife corridor to improving 128th street for public traffic.

In summary, COGS can only support 128th street as a gated -- and if I may show you -- as a gated emergency route and that is clearly what is best for the preserve while not detrimentally impacting residents in the area. Thank you.

Mayor Ortega: Thank you very much. And at this point, I will close the public comment for the work study and our subject. At this point, I will open it up for some comments from our colleagues and beginning can Councilwoman Whitehead.

Councilmember Whitehead: Thank you, mayor. I want to thank our speakers and staff and the preserve commission. Of course, I'm a proud former preserve commissioner. It is amazing and Kroy has been in the game since the get-go. The mayor has been involved in a long time. It is

amazing that we acquired 30,000 plus acres at wholesale. So just really congratulations. I have been -- it's just awe wonderful accomplishment. So I appreciate.

I say don't give me a blank paper and tell me to write an essay. Give me something to edit. Thank you what a great package you put together. We need priorities. Of course, we need far more -- these are great ideas and great funding levels but we have fewer dollars than we have wants.

So I think the first thing this council needs to do is set the priorities. I want to remind everybody, this is based not on a future bond or sales tax, but the priorities from the existing tax money because that's what we are spending. So that's pretty important. So I have divided it up into three categories. Category one are items that are crucial to the integrity of the preserve and the integrity as a living preserve and so wildlife and also public safety.

[Time: 01:09:53]

Category two are items that have really made our preserve, you know, add a lot of value to the preserve and item three are items on hold as far as the budget is concerned. We have dollars -- these are sales taxes. So they are not predictable dollars. And thank you to our treasurer. We are going to beef up our reserve fund into case there's a downturn in the economy. We need to pay bills.

The first bill we always have to pay is the borrow dollar bill. So we now know that we have far less because we are being conservative, far less money if we end up flush, hey, no problem. We can always use those dollars. Starting with category one, the intents of the voter who voted six times on the preserve, overwhelmingly preserve preservation, the intent of the voters was to first acquire land and then we added the ability to do trailheads and trails. The trailheads and the trails are done. We are done with those. So that leaves us with land acquisition.

Now, it's again fair to say, we are done with wholesale buying. But hey, we can do a whole lot because we got such a screaming deal. So now, we have these remaining tax dollars. Again, are we going out to a vote to get more tax dollars? That's rally up to the voters -- that's really up to the voters, but we have remaining dollars and that's where I will ask staff and the preserve commission to give us some guidance. What we are looking for are, again, not large swaths. We are looking for crucial parcels. Crucial parcels that if built, would hinder the sustainability for our wildlife or perhaps, it's an area that has some significant historically some heritage site.

So we are now in the process of completing the preserve with the current dollars. So land acquisition is number one as that had is the intent of these dollars. That also includes wildlife corridor and the land bridge that was designated in this presentation, because for those who don't know, if we divide north and south, then we lose the wildlife. And I think the -- it's amazing ten years ago, land bridges were this funky probably, hippie kind of idea. They work.

The data on land bridges has shown that we are protecting not only the individual animals but the species. So I'm really excited that we are at the stage where we are working on that. So, again we have in category one land acquisition which includes wildlife corridor and which includes the land bridge and then there's this public safety and sustainability within the preserve.

I can't remember which one of you, Cynthia maybe mentioned we have an invasive species problem. Again, what does that do? We are seeing buffelgrasses that are burning. Saguaros did not evolve where they will inbound fires because there's nothing that should be around them. But the buffelgrass is a threat to the preservation of Saguaros. So this is a very crucial issue. So that is a top priority for funding. Trail maintenance. Like the preserve and the wildlife will be fine whether or not we maintain the trails.

[Time: 01:13:38]

However, this preserve has always been a partnership between the tourism industry and the desire to have to protect our Sonoran desert. I think trail maintenance is needed. I think additional trail maintenance. I want to stress, I think Kroy might have said this, we are not trying to sanitize trails. We have some trails that are accessible for those with disabilities. This is tough terrain.

Not everybody, including me, can get to every spot in the preserve. But what we would -- when we do have the big rainfalls, we do probably need a regular schedule. So that's what I would be asking of staff is some kind of regular schedule of maintenance and maybe even like the emergency maintenance when we have these fast rainstorms. Those are the ones that bring a lot of water in ten minutes as opposed to the nice drizzling that goes on for two days. So just some kind of idea of what are our maintenance needs. I'm also worried about a liability. I think our public safety people have been out rescuing a few people.

And I also -- it would be nice to know, the last time we had trail maintenance in the south, I thought this was some group -- it would be nice -- we have the conservancy, but what other groups do we have access to, to do the trail maintenance and if those groups roughly what that costs and then every now and then we would probably have to bring in the actual professional trail maintenance.

Just give us some idea of how we maintain the trails. And this was part of category one to see if we should extend a tax and have that tax include, I think we all agree, some kind of perpetual maintenance fund. Those are items -- and I don't think the public outreach is terribly expensive, but I think that's something that we need to get on right away as the first tax expires 2025.

Okay. Now we are on to category two. So we have the cultural historic preservation, education. These items we are currently funding. I will say that my goal is to -- is to retain the current funding levels but at this point in time, I would not support increasing any funding for those. We

don't have the money to do those in category one. I would like to retape them at the current funding levels if possible unless we don't have enough funding if that's the guidance we get from staff. I would like to add an item to this category too. And it's access. And I'm not talking about trail access.

I'm talking about possible funding for trolleys that run between the south and the trailheads. I think that that is something that I think would be really beneficial, and worth looking into. Maybe we do it Saturday and Sunday morning or maybe Wednesday morning because maybe it would be a lot of retired people. People who don't drive but would still like to get to the trails. That's something I would like explores.

I want to go back to category one. On trail maintenance, there's no benefit. We have 104th and ringtail are unofficial kind of neighborhood trails, but I call them local trails. Like maybe Experience Scottsdale doesn't know that they are there but all of the residents do. They are heavily used by people would don't use in those neighborhoods but like to be in the preserve. There's no benefit in removing those.

I think maybe they should just be -- I'm not suggesting that we increase funding to enhance them. They are working just fine. 104th and ringtail, they are being used. There be outcries if we removed them. I cover category in addition with some trolley access from the south. And then there's category three. New trails. And the, I think \$12 million of infrastructure for gazebos. I don't remember the terms used. I would like to put those funding requests on hold. I don't think they are priorities. I think that's it and thank you very, very much.

[Time: 01:18:41]

Mayor Ortega: Thank you. We will move on to up could sill member Durham, and then -- Councilmember Durham and then I will look for any remote council people, just to notify our clerk.

Councilmember Durham: Thank you, mayor. I agree with much of what Councilwoman Whitehead has said. I agree that maintenance has to be one of our top priorities, and we need to figure out how that's going to work over the future.

One of the things I would like to do is to sort of map out possible extensions of the two taxes. And some type of reasonable basis. What you know whatever we think is possible, ten years, 15 years, whatever. And think about what types of cash flows that would provide and begin the process of matching that up to the needs we would have, both in land acquisition and in maintenance and in other possibilities.

And in that respect, I -- page 15 talks about the further study areas and I have known about the northern parts for a long time, the postage stamps in the area east of the Pima. Those have been on the radar. I'm a little bit less clear about what's in the study areas on the other areas in

dynamite, Pinnacle Peak and down south. And I would like to hear explanations of what parts of those are necessary or feasible. I wouldn't say necessary, but important or feasible.

What parts of those would have particular value in what the ownership is of those areas. So that what might be possible to accomplish, because then we can begin to prioritize that against these future cash flows that we might have from the extensions of one or both taxes. And finally, on the \$12 million, I agree with Councilmember Whitehead that there are other things that need to be prioritized.

I would certainly be willing to look at some of those infrastructure projects on a project-by-project basis. I think for the most part, the trailheads are pretty well built out and I think we ought to be focusing on other priorities, including maintenance rather than new infrastructure. Thank you.

Mayor Ortega: Thank you. Do you have comments Vice Mayor.

[Time: 01:22:03]

Vice Mayor Caputi: I agree with a lot of what has already been said. How to protect the preserve for future generations and ensure that we have funding for daily needs. Agreed, that's the most important criteria. We have a \$2 billion asset as we said and we need to maintain that. I think the number I was given is that Phoenix spends \$73 an acre on their preserve land and Scottsdale spends about \$23 an acre. So, again, \$2 billion asset that we have all agreed to tax ourselves to pay for, we really need to be putting the dollars into taking care of it. I couldn't agree with that more.

I know the conservancy donates a lot of the volunteer labor for us to take care of these trails and we maybe shouldn't necessarily depend on that going for. I think the priority definitely has to be how do we maintain the acres that we have already got as opposed to trying to spend an inordinate amount of money buying land that might not fit into the scheme of things. I don't necessarily think that it's economically sensible to commend as much as we spent to spend an infinite amount more.

I do not necessarily agree with the logic of not concentrating on trails and trailheads. For me, we live in a city in which 40% of the annual tax revenue comes from nonresidents. A lot of people who come to the southwest come here because they love the desert. I know that's why I moved here and I certainly don't know that I agree with having spent \$2 billion for our residents only to say look, but don't touch. Not that I would ever suggest putting construction in the preserve but certainly to not allow for as many people as possible to enjoy it. That seems counterintuitive to me. So further detailed -- yep.

Land acquisition. Okay. I will rest there for pay minute. I may have a couple of other things to say but that's good are to the moment. Thank you.

Mayor Ortega: I don't see any hands up from our remote participants. Want to follow along the presentation and with my own comments. Here a see Councilwoman Littlefield. So you go next.

Councilmember Littlefield: Thank you, mayor. I agree pretty much with what everyone has said here tonight. I do have a couple of things I would like to stress. We have spent with our citizens approval and vote a lot of money on purchasing the land in our preserve. I think it's incumbent upon us that the maintenance of that land is taken care of as a first priority. I would want to do that maintenance before I would consider buying more land that we won't maintain.

[Time: 01:25:14]

I think it's important to prioritize and hopefully with the help of our speakers here tonight and others what the most important thing, how do we prioritize the funding for maintaining into perpetuity our beautiful preserve and that would include maintaining the trailheads and the trails as one of the speakers said. We have built the trailheads. I don't remember there are others in the works.

We can concentrate on what we have and how to keep it in really good shape. I would like to stress my agreement with one of the speakers Sonnie Kirtley from COGS on 128th street. That should not be made a street for public use it is in that goose neck area. It's a way for the animals to get from the south to the north and the north so the south. It should only be used as an emergency route and a secondary emergency route at that. It should never open up to any kind of pavement or thoroughfare for cars or trucks or anything like that. I think that's one shoe away to destroy the animal life in our preserve by not allowing them access to the Tonto national forest and back again. That's very important to me.

I would like to have some more detail presented to us on costs for maintenance and prioritization of those costs and of the maintenance that needs to be done on annual or biannual basis. So that we know what kind of money we are actually looking at going forward. What are we going to end up with, with the preserve taxes that have been approved and do we need more?

And what are reasonable ways to get that money to protect what our citizens have put in our charge, the preserve. Some of the land and this is just to bring back something that I think we all are a little bit aware of. Some of the land, I little bit, within the preserve lands is privately owned. We need to remember that and make sure that we have money to buy that land when it comes available if we can purchase, it because that is something that inside the perpetual boundaries that we currently have. And also, I guess that's really basically it. I had a couple of things that were of high priority.

I like Councilwoman Whitehead's priorities as she said them. I don't believe that acquiring land, however, right now, is a priority of mine. My priority is finding how are we going to protect what

we have, preserve what we have and maintain what we have not only ourselves but our future generations and for the wildlife and the animals that live this. Thank you.

Mayor Ortega: Thank you. Next we have Councilmember Milhaven and then Councilwoman Whitehead.

Councilmember Milhaven: Thank you very much. I just want to concur with my colleagues. I certainly see maintenance being number one priority and certainly before we acquire any more land making sure we have a long-term maintenance plan. I'm absolutely in agreement with that. Councilwoman Whitehead talked about doing publish outreach and I certainly support that but I think that public outreach needs to be much broader than simply what some financial funding options might be or investments in the preserve.

I think that we have spent \$2 billion on the preserve, quite a bit of money if we are going to look at more land acquisition or significant maintenance costs, I think we need to expand the conversation and say, if we are going to ask our citizens to fund some additional initiatives is the preserve the highest and best use or should we be expanding it for other community needs and I certainly support public outreach but with a broader preserve on our broader community needs. Thank you.

[Time: 01:29:42]

Councilmember Whitehead: Should I go? I'm not sure where the mayor went but I'm sure he will be back. Okay. So first of all, I didn't even talk to Councilwoman Milhaven yet she read my mind. I agree the discussion should be broader and I have my own set of ideas for that. But yeah, we do need to broaden it. I also agree with Councilwoman Littlefield and Durham, that we need to identify what private lands are there. Mayor, I jumped in and helped myself. Okay?

So we do need to look at those private land parcels wherever we have the least amount of control, we want to try to acquire and if there's some critical. I want -- if possible, I would like staff to come back. I think it's important to understand, everybody is worried about maintenance, including me. The maintenance of our city property, which it's the billions of dollars of park land that we have or the preserve is covered by the general fund.

I think what we're seeking to do is to protect that from the general fund but we don't have the ability to do that right now, it does have to go to the voters. So -- but I think the feeling is that there's no money to protect the preserve where, in fact, the general fund is budgeted to protect the preserve and maintain the preserve. I think it would be helpful from staff to give us those numbers from the general fund and, again, this is how we maintain the parks and maybe that should be up for discussion. I want to talk about the city of Phoenix. They spend a lot more money on their open space, which I would not necessarily call preserve. Their open space, which I do spend a lot of time in, is crisscrossed with so many trails, it's devoid of wildlife.

So I commend us again not only for getting land at a deep, deep discount, allowing us to go ahead and get any remaining crucial parcels out at market value but we have maintained it in a way that has not put the needs or the desires of every single hiker lead of the purpose 9 preserve, which is to preserve it.

And so, yeah, we need to be very aware of that, and keep that ethic where we do not allow -- and we have hundreds of miles of trails. Perhaps that would be another thing to help my colleagues on council know, is I -- there's very few places you can't get to on our preserve. The access is certainly not a problem, but the physical fitness aspect, that well, that's up to you and me and everyone else who wants to get to those spots. I think that's it. Thank you.

Mayor Ortega: Councilmember Durham, and perhaps Councilwoman Janik.

Councilmember Durham: That's one thing I got to mention is in my travels through the country, I have seen underground animal pathways, underground tunnels that pass under roads and allow the fences that funnel the animals into the underground pathway. I have no idea whether that works, or it doesn't work, but it seems like it would be a less expensive option than the overhead bridges. So that's something I think we should at least look at. As a means of transporting the animal from one part of the preserve to another. Thank you.

[Time: 01:33:33]

Mayor Ortega: Okay. I see a hand up from vice -- sorry, did you have anything else?

Councilmember Janik: Yes, this is Councilwoman Janik.

Mayor Ortega: I could hear Councilwoman Janik.

Councilmember Janik: Thank you. I just wanted to add that I agree with most of what's been said. For me, maintenance is the most important aspect of what I think we need to do. Charity begins at home. Take care of what you have. I would also like to look at any parcels that we could acquire that would greatly assist in keeping our animal population stable and allowing them to migrate from south to north and north to south.

So those would be my two considerations, again, if we could just isolate a couple of parcels, see how much they cost, and see if it's doable. But maintenance to me is the most important aspect. So thank you.

Mayor Ortega: Okay. Thank you. I see the Vice Mayor.

Vice Mayor Caputi: Thank you, mayor. Just really quickly. I noticed that we have represents from the McDowell Sonoran Conservancy here. I want to repeat that we are very grateful all the volunteer hours you give to the city. I think you mentioned a figure of \$1.8 million which is

pretty impressive. I want to make the recommendation to staff that we have the conservancy is get an annual update to the council.

We have other annual update. We don't get a yearly update from the conservancy, and I think that would be fairly valuable considering how much they do donate to our city. Thank you.

Mayor Ortega: Well, thank you. I think I will do cleanup here. Everyone else has responded. And I was very fortunate. I did go to the McDowell Sonoran Preserve meeting, commission meeting, when the finances were discussed and how the remaining balance may be as little as 22 to \$70 million of the original bonding capacity.

I just want to mention that very briefly, because part of that savings really occurred because the projections were 20-year projections and then, of course, the interest rates have continued to fall. So that's why there is some money there to discuss today. So the preserve has come a long way in the last 27, 28 years and I will concur that the trailheads are built out.

I believe that they are all -- there's nothing else in the works. So we are mature in that aspect. We have the Pima-Dynamite open up recently and that's great asset. Along those lines, the trail system is very adequate. I say that because it was well-planned by the predecessors of the commission and it was well thought out and it appears to be functioning well. Is it over capacity or at capacity, of course not. There's still room for people to enjoy different times of the day, some people like going at sunset, sunrise and in between.

The preserve is, let's just say priceless, right? You could say it's our largest asset. The city book value is about \$6.2 billion. Just to give you an idea if you added up all the roads and so forth. All of those things, libraries require investment and modernization. And so having upkeep on an asset is nothing unusual. The three areas I would look at is the H., hazard.

[Time: 01:37:42]

If there's a hazard on city property, or an imminent hazard, that's a prime concern in taking it back to the commission. The other one is the health. The health of the preserve itself, both in the as an ecosystem and plants and animals and the symbiotic relationship. So those two be the most critical, right? It's a part now of the ecotourism that we earned, we paid for, and we must maintain as the city. So it's a point of pride.

Part of what we are looking at as a high value piece of property, and a preserve is what value does it bring back to the city? And I would contend that our McDowell Sonoran Preserve brings tax dollars into the city, and that's because of the ecotourism element. I know that locally, regionally and internationally being people are interested in filling room nights for the hike or the bike into the preserve.

So there's actually an economic engine that's working there. We have become a destination

because of the preserve and all the work of the volunteer stewards and so forth. So in my opinion, we should allocate what I would call destination marketing funds. That's another basket of funds based on bed tax and it's quantifiable. We can say that we have another vehicle for taxation, which also the voters voted on and it involved certain percents that flow to a destination marketing group as well as half to the city.

So I would ask us to look into the possibility of anything related to archaeology, education, promotion of the preserve, anything related to actually guidance and research or anything that would draw people, for instance, even when the idea of having a trolley, I just heard that just now, I mean, that's an obvious promotion and I would put that in the category of a destination marketing able qualified area.

Go we -- at the present time, the general fund allocates about \$900,000 for employees and supplies and whatever is involved out of our general fund. That's where they are at right now according to an estimate I have received. So we know that it takes that person power and so forth to keep the lights on and make sure everything is secure and so forth in the trailheads but we really -- I really feel that we can -- we should look at a -- I would say, again, a destination marketing McDowell Sonoran Preserve fund which would be available from the bed tax portion.

It's no different than when the destination marketing looks at promoting our old town or saying that they needed rentable space or pay for advertising or whatever that would augment that. It may also roll into something else, which would be even the safety of people and first aid and whatever.

[Time: 01:41:56]

There's a certain backbone that we can fortify this great asset that we have. So I would ask that we look at that. I'm in agreement of a wildlife bridge, whether it's tunnel. Those tend to be really cool too, temperature-wise and that's a good attraction for wildlife as well. There's too much roadkill and so forth there along Rio Verde and Dynamite. So that really interests me in terms of proceeding with that.

The other question I will ask my peers here is really we have looks at or discussed whether or not land acquisition is a high, medium or low priority among us in terms of what we are trying to achieve because there's the maintenance component and operations and so forth and safety component and then there's the reach to buy more property.

20-some years ago, 22 years ago, we used the density transfer with the API to create a lower open space, basically the state was selling us open space versus density units and that's why the price was lower to make it work. So we know that the commission is actually incumbered to bring up the ideas back to us and I guess what I would say on my part is as far as land acquisition, or forwarding a bond of some sort, that one would be land acquisition and the other has to do with the hazards or health and maintenance of wildlife and so forth.

To me, I would have the higher priority directive for the m & o side but also extracting some money out of destination marketing to sort of offset and really show the value of -- if it involves school buses, kids or whatever, we may have -- again, we are promoting intergenerational ecology and aspects of something that we have that's pretty amazing.

So I'm also not of the mind that we need to put out a bond for \$34,000 more acres because that was the dream, the outer boundary. I saw an estimate ever as little as 200 acres costing perhaps, you know, pretty substantial money, \$150 million in that range. So from the extreme of way over reach, I agree with some statements that that's not a priority. It's not my priority to go probably -- it will be open for discussion, but I would say in terms of what the commission is hearing, it's not it would be an overreach to go way over, even 500 acres more.

If it was strategic and can be -- can add to the whole formula, then I think it would be very worthwhile. And then finally, the other discussion is really the expiration of the .2 of 1%. So that's where the discussion probably would be the upper limit of a future bond request. I'm saying that just generally like a feeling. I don't know for sure the numbers you have to test it. It may be that just .1 of 1% would be plenty for maintaining it, and, you know -- or a 1% buy and a 1% -- .1 of 1% buy and .1 of 1% on m & o would make it work. As you explore that, you will be looking at a balance and that's really where we are as a community.

[Time: 01:46:19]

I'm very -- again, we have local, regional and international visitors to our preserve. And I would venture to say as many as 30% of our population has not gone, and I say that because some people say they are not as interested and that's their choice but at the same time, everyone is paying for it, right? So I applaud the idea of better marketing to, you know, get people there and respect those boundaries. And then I applaud the idea of cultivating a new generation with some funding.

There's going to be some more discussion, I believe the commission will meet in February and they have been doing double duty. They have been meeting twice a month, I think. So that's a good sign, and we have a look ahead that we can rely on the treasurer's office to show us some of those projections and where we are at.

I see one other -- if we could provide some consensus, that's where I would like to hope that -- that type of guidance is probably the priority that I'm in agreement with the other priorities as you explore the dollar amounts. I see Councilwoman Whitehead. Go ahead.

Councilmember Whitehead: Thank you, mayor. Degree, I agree with the may -- yeah, I agree with the mayor, and I think that I agree that's an item of consensus. I don't think I support acquiring all the land within the boundary, the study boundary and that would be very expensive. I do want to state that I do agree with that. I also think that what's missing here

possibly staff one more item for you, so I'm glad everyone agrees with my other priorities. What do we do with the remain dollars the current bond? People need to understand that this bond has very specific uses.

So no matter what we think we want to do with it, the voters have already decided. And so it would be helpful for the staff to come back and provide us with kind of an estimate of where we think we are going to be conservatively and what options we have specifically because I know the maintenance, the perpetual maintenance fund is not on that list. Specifically, can we use those dollars. I believe we can on the -- the wildlife corridor and the land bridge. Then, again, what I would ask of staff and the commissioners and the ex-commissioner who is still very involved, thank you, Jace, is, again, we are not trying to acquire large parcels of land.

What needs to be understood is that not buying a piece of land might end up with a high density, high use development that then negatively impacts the preserve. So what we're really looking for is weaknesses, areas of weaknesses that could be strengthened by purchasing a few acres at market value. So I think that's the direction I would give. Thank you very much for all your work, really, it's -- it's been amazing. It's an amazing journey this preserve. Thank you.

[Time: 01:50:01]

Mayor Ortega: Well, I would like to refer to Kroy Ekblaw. Is there some gap in any of this discussion that you would like to clarify or request clarification from? From us?

Kroy Ekblaw: Number one, I appreciate the very nice and broad feedback that we have received this evening. It's greatly appreciated. I have know those that have spent a lot of time on it, we have been looking in order to hearing the council's direction on it. I think we have a sense of where we can proceed in looking at a very tight and refined analysis and maybe the land issues kind of strategic, not looking at a large broad base, but knowing what we have, and bringing that and working with the treasurer and the city manager and the city attorney on what options we might have for funding sources if the council were interested in that on the land issue.

I think I heard a lot of support for the maintenance issues. And I think we can -- we have a tremendous amount of information. We could have presented an hour on each one of those items up there, but we knew you didn't want us to do that. But we would be able to come in and provide a little bit more refinement to that and fine tuning of those and some of the options and recommendations, I think, in those areas. And I think there's also some things under the trails and trailheads that, again, we are not looking for major new things. These some are tweaks and we can tighten those down as well.

So I think we have, in my sense, some very good direction and we can take that and then I think, again, working with the treasurer's office, and the other charter officers, the questions about what can be done with the existing tax and the expiration of the tax and I think coming back with some of those options and some of the other things that were brought up, those would be

things that we specifically stayed away from tonight, but because we really wanted to hear what your thoughts were to this range of maintenance and elements to protect the preserve as well as the land acquisition.

And so in my mind this has been very helpful and I believe the chair and former Commissioner McKeegan are in agreement with that.

Mayor Ortega: Thank you very much. Excuse me. Vice Mayor, you had a comment?

Vice Mayor Caputi: A quick question for staff. I was thinking about it while we were presenting. So if we have over collected M.P. partly because interest rates have gone down and now we sort of have more money than we figured we would need, is an option for money to go back to the taxpayers opposed to spending it on something -- and just looking for something to spend it on?

[Time: 01:53:13]

Kroy Ekblaw: I will take a first shot. We evaluated that. I want to say four or five years ago and the general sense of that was that we could potentially end the second tax in 2034, a year or two early. I don't the there's a refund option but those were some of the things that were explored. It gets difficult.

There are a lot of legal and financial obligations tied into that and that was recollection of the past, but I will let the city attorney --

Vice Mayor Caputi: Just because what I'm hearing our priority is maintaining, and not just spend money because we have it on a land acquisition. It doesn't sound like a great idea.

Mayor Ortega: Well, I will ask for the city attorney but basically what is happening is we need a cushion to provide the debt service through the end of it. So looking ahead and saying we have this money saved, no, it's our cushion that is required in our due diligence. It's in good hands for that reason. Theoretically, the last day if we had X. dollars and there were four acres left, we could execute that and be done with it. It's just that we don't have enough time left to leverage any more bonds. They have to be a 20-year period and so forth. So there's no option in that way. I see some nods.

Is there any need for charter to speak on this. So we will continue the dialogue much -- with much appreciation to each one of you, and please express our best regards to the stewards and at this point, I would entertain a motion to adjourn.

Councilwoman Whitehead: So moved.

Vice Mayor Caputi: Second.

Mayor Ortega: We have a motion and a second. All in favor say aye.

[Chorus of ayes]

Any opposed? I didn't hear any oppose. So it's unanimous. Thank you very much.